

NEW HAMPSHIRE REAL ESTATE COMMISSION

COMMISSION MEETING

APRIL 20, 2004

A meeting of the New Hampshire Real Estate Commission was held on Tuesday, April 20, 2004 at 8:30 a.m. in Room 425, State House Annex, 25 Capitol Street, Concord, New Hampshire 03301.

Meeting called to order at 8:30 a.m. by Chairman Arthur Slattery

Present: Commissioners Arthur Slattery, Pauline Ikawa, Nancy LeRoy, Executive Director Beth Emmons, and Investigator Ann Flanagan.

- I. Motion by Commissioner LeRoy, seconded by Commissioner Ikawa, to approve and accept the minutes of the Commission meeting held on March 16, 2004.

II. APPOINTMENTS

8:30 a.m. - Equivalency Interviews

The following candidate was interviewed by Commissioners Slattery, Ikawa, and LeRoy.

CANDIDATE

DETERMINATION

RICHARD FRASER

APPROVED

ANN FLANAGAN – Ms. Flanagan's equivalency was approved at the March 16, 2004 Commission meeting, based on her knowledge and experience as the Commission's Investigator. The Commission at its March meeting stated that Ms. Flanagan could apply for her broker's license, but would be required to place her license on inactive status as long as she was employed with the Real Estate Commission. The Commission reconsidered its decision to include a further requirement that Ms. Flanagan could not apply for a license in any other state while employed by the Real Estate Commission.

9:10 A.M. – Committee members William Arnott, Kathy Roosa, Alan Roy and Blakeney Bartlett representing the Commission Appointed 40 Hour Pre-Licensing Committee, appeared before the Commission to present the Committee's suggestions to the Commission. The Committee presented four recommendations for changes to the 40 hour pre-licensing course.

The first recommendation was to change the language of the current law – RSA 331-A:10 to require the salesperson applicant to show proof of completion of the 40 hours of approved study prior to licensure instead of prior to examination, but the completion of the 40 hours would be required to be completed prior to examination. The Commission explained that this language has been submitted to legislature and is currently in the legislature under SB 459.

Bill Arnott presented the second recommendation, that the current 40 hour course curriculum currently defined in Administrative Rule Rea 302.02, be replaced with a reference to an approved content outline with the Real Estate Commission. The Committee felt that this would ensure that the outline which is referenced would always be up to date and eliminate the need to go through the rulemaking process to make any changes needed. After review and discussion, the Commission agreed with the recommendation and will submit rulemaking changes to Rea 302.02.

The third recommendation made was to change the format of the 40 hour pre-licensing course, to allow the pre-licensing instructors to provide a minimum of 30 hours of classroom hours and a maximum of 10 hours out of classroom hours through alternate education methods. This recommendation is based on the need to be able to provide makeup classes for students. The Committee explained that their students are adults and have various reasons why they can not attend all classes, such as family emergencies. Some instructors teach in very remote areas, and providing make-up classes can be very difficult at times. The Committee further stated that each pre-licensing instructor will submit for approval each method of delivery for out of classroom hours. After review and discussion, the Commission felt that this will be acceptable, as long as each method of delivery of out of classroom hours are submitted to the Commission for approval and that the out of classroom hours can not exceed a total of 10 hours.

The Committee presented the fourth recommendation which spells out the educational requirements recommended for applicants who do not hold a salesperson license, persons currently licensed in another state, and persons licensed in a state with which New Hampshire has a reciprocity agreement.

1. All individuals not licensed, must complete a Commission approved 40 pre-licensing course prior to taking the salesperson examination.
2. For those licensed in any state with which New Hampshire does not have reciprocity, the Committee recommended that all candidates must complete 8 hours of approved New Hampshire specific state laws, rules, regulations and practices education prior to taking the New Hampshire portion of the salesperson licensing examination. These courses should be allowed to be offered through classroom or distance education, once accredited by the Real Estate Commission. In addition, the state from which the licensed salesperson candidate comes from, must have a minimum of 32 hours of an educational program on national material for the licensing of salespersons in their respective state.
3. For those licensed in any state with which New Hampshire does have reciprocity, the Committee recommended that the Commission continue its current requirement of reciprocal candidates to take only the New Hampshire state portion of the examination and require no fulfillment of New Hampshire educational requirements.

After review and discussion, the Commission felt that the above recommendations were acceptable, with the following changes:

All individuals licensed in any state which the Commission does not have a reciprocal agreement with, would only be required to complete 6 hours of New Hampshire state specific classes, rather than 8 hours as recommended by the Committee. The licensed individual would have to submit proof of 34 hours of education on national material rather than 32 hours. The Commission stated that the distance education for the 6 hours of state material should be developed prior to the Commission submitting rulemaking changes. These changes would apply to a broker applicant as well.

The Committee also recommended that the Executive Director create an internal pre-license policies and procedures manual, that will, among other things, define the process to approve licensing candidates in three categories set forth above.

III. DISCUSSION

PRE-LICENSING – Education Program Assistant Fran West presented questions for clarification and possible rulemaking changes. Ms. West stated that under the current Commission Administrative Rule Rea 303.05, the examination candidate is allowed a two year period to successfully pass both portions of the examination. Ms. West asked the Commission if this requirement should be changed to 1 year from the date of completion of the pre-licensing course. Ms. West also asked whether there should be a maximum amount of times that a candidate should be able to sit for the examination. After review and discussion, the Commission unanimously decided that rulemaking changes should be made to change the current time period in which a candidate is allowed to pass the examination to 1 year from the date of complete of the 40 hour pre-licensing course and that no applicant shall sit for the examination more than 8 times within this period. After 1 year and/or a 8 examinations, the examination candidate shall be required to retake the 40 pre-licensing course.

CONTINUING EDUCATION – Education Program Assistant Fran West presented internet continuing education courses which currently require the licensee to complete review examinations after each chapter of the course. These courses also require a final examination to fulfill the current Commission requirement of a final examination. Ms. West asked the Commission whether the chapter review examinations are sufficient or whether the Commission wanted to continue with the final examination on these courses as well. Ms. West stated that these courses are currently ARELLO certified, and that ARELLO does not require the final examination. After review and discussion, the Commission decided that the chapter examinations were sufficient and would no longer require the final examination for these courses.

The Commission discussed the current passing requirement of 70% for all distance education continuing education course final examinations. After review and discussion, the Commission decided to change the required pass rate from 70% to 80%.

CONTINUING EDUCATION AFFIDAVITS – the Commission discussed the current requirement of licensees to submit continuing education affidavits at each renewal. The Commission discussed the current practice in some states of not requiring the licensee to submit proof of continuing education, but using the honor system instead. This would require the licensee to certify to the Commission that they have fulfilled their continuing education requirement at the time of license renewal. Other states enforce this practice by randomly auditing licensees to ensure that they did complete the required continuing education. Should a licensee certification of completion be found to have been falsified, these states issue disciplinary fines and in some cases suspension or revocation of license. The Commission decided to proceed with adoption of the honor system for continuing education requirements through rulemaking.

FILE NO. 2003-12-02 – The Complainants submitted a request to withdraw their complaint of File No. 2003-12-02 based upon the resolution of the parties differences. After review and discussion, the Commission unanimously approved the withdrawal of the Complaint. The parties to be so notified.

IV. **OTHER BUSINESS**

1. Tuesday, May 18, 2004, was unanimously approved as the date for the next regular meeting.

2. CASE EVALUATIONS

(a) **FILE NO. 2003-10-01**

Evaluator: Commissioner Slattery

Determination: No violation, should not be heard.

(b) **FILE NO. 2003-11-03**

Evaluator: Commissioner LeRoy

Determination: No violation, should not be heard.

(c) **FILE NO. 2003-12-01**

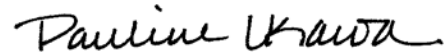
Evaluator: Commissioner Slattery

Determination: No violation, should not be heard.

V. **ADJOURNMENT**

Motion by Commissioner Ikawa, seconded by Commissioner LeRoy to adjourn the meeting. Chairman Slattery adjourned the meeting at 11:35 a.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Pauline Ikawa".

Pauline Ikawa
Acting Clerk